

Health Benefits Fund
For the period ended September 30, 2004
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	FY2005				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
Operating Revenues						
City Medical Plans	\$ 171,052	\$ 213,699	\$ 213,699	\$ 50,670	\$ 213,699	\$ 213,699
City Dental Plans	7,707	8,381	8,381	1,949	8,381	8,381
City Life Insurance Plans	5,486	5,456	5,456	1,303	5,456	5,456
Dependent Care Reimbursement	143	160	160	37	160	160
Operating Revenues	<u>184,388</u>	<u>227,696</u>	<u>227,696</u>	<u>53,959</u>	<u>227,696</u>	<u>227,696</u>
Operating Expenses						
City Medical Plan Claims	169,205	210,843	210,843	48,906	210,843	210,843
City Dental Plan Claims	7,707	8,381	8,381	1,949	8,381	8,381
City Life Insurance Plans	5,383	5,456	5,456	1,302	5,456	5,456
Administrative Costs	2,650	3,225	3,225	499	3,225	3,225
Dependent Care	143	160	160	37	160	160
Operating Expenses	<u>185,088</u>	<u>228,065</u>	<u>228,065</u>	<u>52,693</u>	<u>228,065</u>	<u>228,065</u>
Operating Income (Loss)	(700)	(369)	(369)	1,266	(369)	(369)
Nonoperating Revenues (Expenses)						
Interest Income	305	300	300	84	300	300
Prior Year Expense Recovery	222	50	50	1	50	50
Nonoperating Revenues (Expenses)	<u>527</u>	<u>350</u>	<u>350</u>	<u>85</u>	<u>350</u>	<u>350</u>
Net Income (Loss)	(173)	(19)	(19)	1,351	(19)	(19)
Net Assets, Beginning of Year	<u>1,036</u>	<u>881</u>	<u>881</u>	<u>881</u>	<u>881</u>	<u>881</u>
Net Assets, End of Year	<u>\$ 863</u>	<u>\$ 862</u>	<u>\$ 862</u>	<u>\$ 2,232</u>	<u>\$ 862</u>	<u>\$ 862</u>

About the Fund:

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Point of Service (POS) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.